



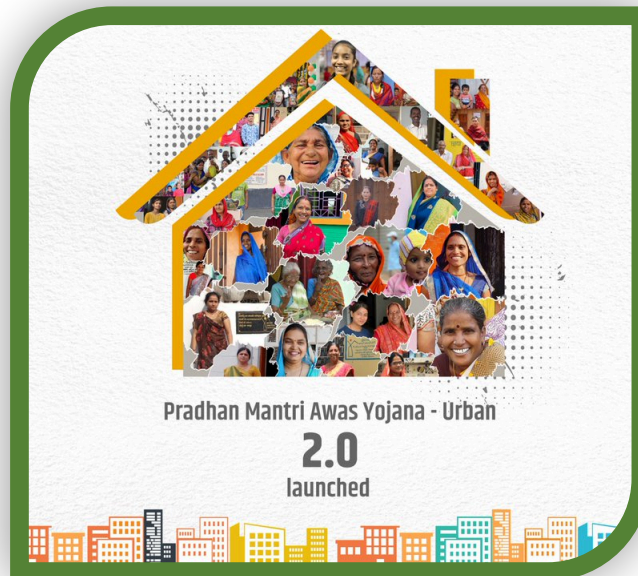
Pradhan Mantri Awas Yojana-Urban 2.0

A Step Towards Inclusive Urban Development

August 10, 2024

Overview

The Union Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the **Pradhan Mantri Awas Yojana-Urban (PMAY-U) 2.0**. This ambitious scheme aims to **construct 1 crore houses for urban poor and middle-class families over the next five years**, with an investment of **₹10 lakh crore** and a government subsidy of **₹2.30 lakh crore**.



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¹ https://x.com/PMAYUrban/status/1821978447872454778?ref_src=twsrc%5Etfw%7Ctwcamp%5Eembeddedtimeline%7Ctwterm%5Escreen-name%3Apmayurban%7Ctwcon%5Es1

Key Highlights of PMAY-U 2.0

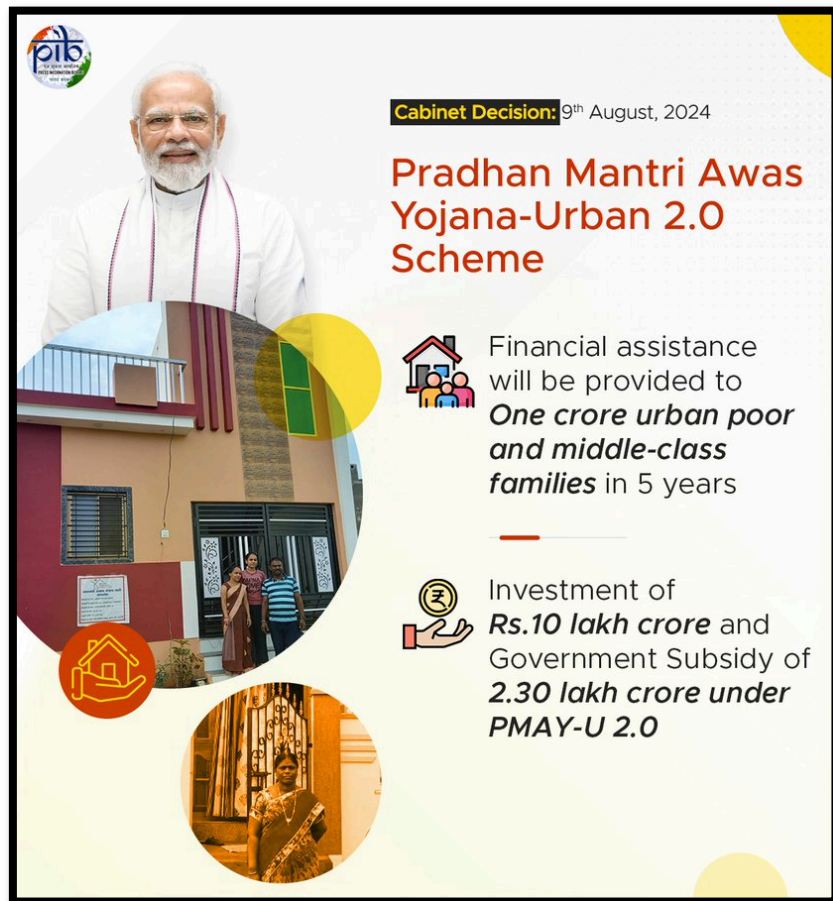
Scope and Vision

PMAY-U 2.0 is designed to extend financial assistance to urban poor and middle-class families for **constructing, purchasing, or renting** houses at affordable costs in urban areas. This initiative aligns with the Government of India's vision to ensure that every citizen has access to a pucca house, thereby enhancing their quality of life.



Impact


The scheme aims to benefit **1 crore families**, with a particular focus on equity among different segments of the population. Special attention will be given to marginalized groups, including **slum dwellers, SC/STs, minorities, widows, persons with disabilities, and other underprivileged sections of society**. Additionally, groups like **Safai Karmi, street vendors, artisans, anganwadi workers, and residents of slums/chawls** will receive focused support under this scheme.




The infographic features a portrait of Prime Minister Narendra Modi at the top left. Below it are three circular images: a modern apartment building, a family standing in front of a house, and a woman sitting on a porch. The text on the right is as follows:

Cabinet Decision: 9th August, 2024

Pradhan Mantri Awas Yojana-Urban 2.0 Scheme

 Financial assistance will be provided to **One crore urban poor and middle-class families** in 5 years

 Investment of **Rs.10 lakh crore** and Government Subsidy of **2.30 lakh crore** under **PMAY-U 2.0**

Eligibility Criteria

The PMAY-U 2.0 scheme is open to families belonging to the **Economically Weaker Section (EWS)**, **Low Income Group (LIG)**, and **Middle Income Group (MIG)** segments who do not own a pucca house anywhere in the country. The income criteria for eligibility are as follows:

- ❖ EWS households: Annual income up to ₹3 lakh.
- ❖ LIG households: Annual income from ₹3 lakh to ₹6 lakh.
- ❖ MIG households: Annual income from ₹6 lakh to ₹9 lakh.

Components of PMAY-U 2.0

The scheme includes the following key verticals to address the housing needs in urban areas:

1. Beneficiary-Led Construction (BLC)

² https://x.com/PIB_India/status/1821956276248834210/photo/1

Financial assistance will be provided to eligible EWS families to construct new houses on their own available vacant land. States/UTs may also provide land rights (pattas) to landless beneficiaries.

2. Affordable Housing in Partnership (AHP)

This component provides financial assistance to EWS beneficiaries for owning houses constructed in partnership with States/UTs, cities, public, and private agencies. Additional grants, such as the Technology Innovation Grant (TIG) of ₹1,000 per sqm/unit, will be provided for projects using innovative construction technologies.

3. Affordable Rental Housing (ARH)

This vertical focuses on creating rental housing for working women, industrial workers, urban migrants, and other eligible beneficiaries. The ARH vertical will be implemented through two models: utilizing existing government-funded vacant houses and constructing new rental housing units. TIG of ₹3,000 per sqm will be provided for projects using innovative technologies.



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³ <https://pmay-urban.gov.in/>

4. Interest Subsidy Scheme (ISS)

The ISS vertical offers a 4% interest subsidy on home loans up to ₹25 lakh for EWS/LIG and MIG families. The subsidy will be provided in five yearly installments, with a maximum subsidy of ₹1.80 lakh.

Funding Mechanism

The cost of house construction under PMAY-U 2.0 will be shared among the Ministry, State/UT/ULBs, and beneficiaries, with varying cost-sharing patterns depending on the region. The sharing pattern is tabulated below:

S. No.	States/UTs	PMAY-U 2.0 Verticals		
		BLC & AHP	ARH	ISS
1.	North-Eastern Region States, Himachal Pradesh, Uttarakhand and Union Territory (UT) of J&K, Puducherry and Delhi	Central Govt.- ₹2.25 lakh per unit State Govt.- Min. ₹0.25 lakh per unit	Technology Innovation Grant GoI: ₹3,000/Sqm per unit	Home Loan Subsidy – up to ₹1.80 lakh (Actual Release) per unit by Government of India as Central Sector Scheme
2.	All other UTs	Central Govt. - ₹2.50 lakh per unit		
3.	Remaining States	Central Govt. - ₹1.50 lakh per unit State Govt.- Min. ₹1.00 lakh per unit	State Share: ₹2,000/Sqm per unit	

Additionally, the Credit Risk Guarantee Fund Trust (CRGFT) corpus has been increased from ₹1,000 crore to ₹3,000 crore to support affordable housing loans.

Technology & Innovation Sub-Mission (TISM)

A TISM will be established under PMAY-U 2.0 to guide the adoption of modern, innovative, and green technologies for faster and higher-quality construction of houses. This initiative will promote disaster-resistant and climate-smart housing solutions across India.

States/UTs are required to formulate an "Affordable Housing Policy" that includes reforms and incentives to encourage public and private sector participation in the affordable housing ecosystem. This policy will play a crucial role in improving housing affordability and achieving the scheme's objectives.

The PMAY-U 2.0 is a transformative initiative aimed at realizing the vision of "Housing for All." By addressing the housing needs of EWS, LIG, and MIG segments, the scheme seeks to uplift the lives of millions of Indian citizens, ensuring that every individual has access to safe, secure, and affordable housing.

References

<https://pmay-urban.gov.in/>

<https://pib.gov.in/PressReleasePage.aspx?PRID=2043927>

<https://pib.gov.in/PressReleasePage.aspx?PRID=2043924>

https://x.com/PIB_India/status/1821956276248834210/photo/1

Santosh Kumar/ Ritu Kataria/ Madiha Iqbal